
A BILL FOR AN ACT

RELATING TO GASOLINE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that gasoline containing
2 ten per cent ethanol has been an approved fuel for use in
3 automotive spark ignition engines since 1978. Currently, about
4 fifty per cent of the gasoline in the United States contains
5 ethanol. In some areas of the United States, all of the
6 available motor gasoline contains ethanol. There are a few
7 States that do not impose labeling requirements for fuels
8 containing ten per cent ethanol. Diversification of fuel
9 supplies and a transition towards renewable energy sources is in
10 the long-term interest nationally and for the people of Hawaii.

11 Hawaii's existing ethanol content statute and implementing
12 rules provide significant flexibility in allowing the private
13 sector to supply about seventy million gallons per year of
14 non-ethanol gasoline for old, incompatible, or non-standard
15 equipment which is not Underwriters Laboratory listed or tested.
16 Nevertheless, there are areas of the State in which the private
17 sector has not stepped forward to address the needs of niche



1 markets, including certain boats, small gasoline-driven tools,
2 and experimental and light-sport aircraft that are in need of
3 non-ethanol gasoline.

4 In 1987, the Coast Guard issued a directive to recreational
5 boat builders to install fuel hoses compatible with gasoline
6 containing aromatics and alcohols. However, some boats have
7 fiberglass fuel tanks which are not ethanol compatible and will
8 cause fiberglass softening or tank leaks. There have been
9 reports of boats with older fiberglass tanks sustaining engine
10 damage due to fiberglass resin compounds being carried by the
11 fuel into the engine and deposited on to intake valves.

12 The Underwriters Laboratory listing and testing for fuel
13 system parts has included compatibility with gasoline containing
14 ten per cent ethanol since the 1980s. At the time certain types
15 of power equipment were manufactured, the owners' manuals for
16 the equipment did not explicitly describe or allow the use of
17 ethanol-blended gasoline.

18 Further, the Federal Aviation Administration has strict
19 regulations in place that require only aviation grade fuels be
20 used in certificated aircraft. There are supplemental type
21 certificates in use that allow some "properly altered" aircraft
22 to use automotive grade fuels. Federal Aviation Administration



1 Special Airworthiness Information Bulletin CE 07-06, dated
2 October 27, 2006, states that gasoline containing ethanol is not
3 acceptable unless specifically approved by the type certificate
4 or supplemental type certificates. This also affects the light
5 sport aircraft that use Rotax engines. Rotax has issued a
6 notice not to use gasoline containing lead or ethanol in their
7 engines.

8 The purpose of this Act is to require fuel distributors to
9 make available gasoline that does not contain ethanol for those
10 who wish to purchase non-ethanol fuel.

11 SECTION 2. Chapter 486H, Hawaii Revised Statutes, is
12 amended by adding two new sections to be appropriately
13 designated and to read as follows:

14 "§486H-A Gasoline; ethanol content by grade. (a) Premium
15 gasoline produced, imported, or sold in the State for use in
16 motor vehicles shall contain no ethanol and shall otherwise meet
17 all standards for such gasoline published by the American
18 Society for Testing and Materials and the Society of Automotive
19 Engineers, including an octane rating of ninety-one or greater.

20 (b) Mid-grade gasoline sold in the State for use in motor
21 vehicles shall contain up to ten per cent ethanol by volume and
22 shall otherwise meet all standards for such gasoline published



1 by the American Society for Testing and Materials and the
2 Society of Automotive Engineers, including an octane rating
3 greater than or equal to eighty-eight and less than ninety.

4 (c) Regular gasoline sold in the State for use in motor
5 vehicles shall contain no less than ten per cent ethanol by
6 volume and shall otherwise meet all standards for such gasoline
7 published by the American Society for Testing and Materials and
8 the Society of Automotive Engineers, including an octane rating
9 greater than or equal to eighty-five and less than eighty-eight.

10 §486H-B Ethanol content requirement. (a) The director
11 of business, economic development, and tourism shall require
12 that gasoline sold in the State for use in motor vehicles shall
13 meet the ethanol content requirements set forth in section
14 486H-A. The director may authorize the sale of gasoline that
15 does not meet these requirements as provided in subsection (d).

16 (b) Gasoline blended with an ethanol-based product, such
17 as ethyl tertiary butyl ether, shall be considered to be in
18 conformance with this section if the quantity of ethanol used in
19 the manufacture of the ethanol-based product represents ten per
20 cent, by volume, of the finished motor fuel.

21 (c) Ethanol used in the manufacture of ethanol-based
22 gasoline additives, such as ethyl tertiary butyl ether, may be



1 considered to contribute to the distributor's conformance with
2 this section; provided that the total quantity of ethanol used
3 by the distributor is an amount equal to or greater than the
4 amount of ethanol required under this section.

5 (d) The director may authorize the sale of gasoline that
6 does not meet the provisions of this section:

7 (1) To the extent that sufficient quantities of
8 competitively-priced ethanol are not available to meet
9 the minimum requirements of this section; or

10 (2) In the event of any other circumstances for which the
11 director determines compliance with this section would
12 cause undue hardship.

13 (e) Each distributor, at reporting dates as the director
14 may establish, shall file with the director, on forms
15 prescribed, prepared, and furnished by the director, a certified
16 statement showing:

17 (1) The price and amount of ethanol available;

18 (2) The amount of ethanol-blended fuel sold by the
19 distributor;

20 (3) The amount of non-ethanol-blended gasoline sold by the
21 distributor; and



1 (4) Any other information the director shall require for
2 the purposes of compliance with this section.

3 (f) Provisions with respect to confidentiality of
4 information shall be the same as provided in section 486J-6.

5 (g) Any distributor or any other person violating the
6 requirements of this section shall be subject to a fine of not
7 less than \$2 per gallon of nonconforming fuel, up to a maximum
8 of \$10,000 per infraction."

9 SECTION 3. Chapter 486H, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§486H- Ethanol content requirement. (a) The director
13 of business, economic development, and tourism shall require
14 that gasoline sold in the State for use in motor vehicles
15 contain ten per cent ethanol by volume. The amounts of gasoline
16 sold in the State containing ten per cent ethanol shall be in
17 accordance with rules that the director may deem appropriate.
18 The director may authorize the sale of gasoline that does not
19 meet these requirements as provided in subsection (d).

20 (b) Gasoline blended with an ethanol-based product, such
21 as ethyl tertiary butyl ether, shall be considered to be in
22 conformance with this section if the quantity of ethanol used in



1 the manufacture of the ethanol-based product represents ten per
2 cent, by volume, of the finished motor fuel.

3 (c) Ethanol used in the manufacture of ethanol-based
4 gasoline additives, such as ethyl tertiary butyl ether, may be
5 considered to contribute to the distributor's conformance with
6 this section; provided that the total quantity of ethanol used
7 by the distributor is an amount equal to or greater than the
8 amount of ethanol required under this section.

9 (d) The director may authorize the sale of gasoline that
10 does not meet the provisions of this section:

11 (1) To the extent that sufficient quantities of
12 competitively-priced ethanol are not available to meet
13 the minimum requirements of this section; or

14 (2) In the event of any other circumstances for which the
15 director determines compliance with this section would
16 cause undue hardship.

17 (e) Each distributor, at reporting dates that the director
18 may establish, shall file with the director, on forms
19 prescribed, prepared, and furnished by the director, a certified
20 statement showing:

21 (1) The price and amount of ethanol available;



- 1 (2) The amount of ethanol-blended fuel sold by the
- 2 distributor;
- 3 (3) The amount of non-ethanol-blended gasoline sold by the
- 4 distributor; and
- 5 (4) Any other information the director shall require for
- 6 the purposes of compliance with this section.
- 7 (f) Provisions with respect to confidentiality of
- 8 information shall be the same as provided in section 486J-6.
- 9 (g) Any distributor or any other person violating the
- 10 requirements of this section shall be subject to a fine of not
- 11 less than \$2 per gallon of nonconforming fuel, up to a maximum
- 12 of \$10,000 per infraction."

13 SECTION 4. Chapter 486H-1, Hawaii Revised Statutes, is
14 amended by adding four new definitions to be appropriately
15 inserted and to read as follows:

- 16 "Comparable grade" means the grade, based on octane
- 17 rating, of the finished (blended) fuel.
- 18 "Mid-grade" means gasoline having an octane rating greater
- 19 than or equal to eighty-eight and less than or equal to ninety.
- 20 "Premium" means gasoline having an octane rating greater
- 21 than ninety.



1 "Regular" means gasoline having an octane rating greater
2 than or equal to eighty-five and less than eighty-eight."

3 SECTION 5. Section 486J-10, Hawaii Revised Statutes, is
4 repealed.

5 ~~["§486J-10 Ethanol content requirement. (a) The director~~
6 ~~shall adopt rules in accordance with chapter 91 to require that~~
7 ~~gasoline sold in the State for use in motor vehicles contain ten~~
8 ~~per cent ethanol by volume. The amounts of gasoline sold in the~~
9 ~~State containing ten per cent ethanol shall be in accordance~~
10 ~~with rules as the director may deem appropriate. The director~~
11 ~~may authorize the sale of gasoline that does not meet these~~
12 ~~requirements as provided in subsection (d).~~

13 ~~(b) Gasoline blended with an ethanol based product, such~~
14 ~~as ethyl tertiary butyl ether, shall be considered to be in~~
15 ~~conformance with this section if the quantity of ethanol used in~~
16 ~~the manufacture of the ethanol based product represents ten per~~
17 ~~cent, by volume, of the finished motor fuel.~~

18 ~~(c) Ethanol used in the manufacture of ethanol based~~
19 ~~gasoline additives, such as ethyl tertiary butyl ether, may be~~
20 ~~considered to contribute to the distributor's conformance with~~
21 ~~this section, provided that the total quantity of ethanol used~~



1 ~~by the distributor is an amount equal to or greater than the~~
2 ~~amount of ethanol required under this section.~~

3 ~~(d) The director may authorize the sale of gasoline that~~
4 ~~does not meet the provisions of this section.~~

5 ~~(1) To the extent that sufficient quantities of~~
6 ~~competitively priced ethanol are not available to meet~~
7 ~~the minimum requirements of this section; or~~

8 ~~(2) In the event of any other circumstances for which the~~
9 ~~director determines compliance with this section would~~
10 ~~cause undue hardship.~~

11 ~~(e) Each distributor, at reporting dates as the director~~
12 ~~may establish, shall file with the director, on forms~~
13 ~~prescribed, prepared, and furnished by the director, a certified~~
14 ~~statement showing:~~

15 ~~(1) The price and amount of ethanol available;~~

16 ~~(2) The amount of ethanol blended fuel sold by the~~
17 ~~distributor;~~

18 ~~(3) The amount of non ethanol blended gasoline sold by the~~
19 ~~distributor; and~~

20 ~~(4) Any other information the director shall require for~~
21 ~~the purposes of compliance with this section.~~



1 ~~(f) Provisions with respect to confidentiality of~~
2 ~~information shall be the same as provided in section 486J-6.~~

3 ~~(g) Any distributor or any other person violating the~~
4 ~~requirements of this section shall be subject to a fine of not~~
5 ~~less than \$2 per gallon of nonconforming fuel, up to a maximum~~
6 ~~of \$10,000 per infraction.~~

7 ~~(h) The director, in accordance with chapter 91, shall~~
8 ~~adopt rules for the administration and enforcement of this~~
9 ~~section."]~~

10 SECTION 6. In codifying the new sections added by section
11 2 of this Act, the revisor of statutes shall substitute
12 appropriate section numbers for the letters used in designating
13 the new sections in this Act.

14 SECTION 7. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 8. This Act shall take effect on July 1, 2020;
17 provided that:

18 (1) On July 1, 2011, section 2 of this Act shall be
19 repealed; and

20 (2) Section 3 of this Act shall take effect on July 1,
21 2011.



Report Title:

Gasoline Dealers; Ethanol

Description:

Requires gasoline sold in the State to have ethanol content of at least ten per cent, up to ten per cent, and no ethanol, depending on the grade of gasoline. (SD1)

